



CALIFORNIA STATE DATA CENTER CONSOLIDATION AND
STATEWIDE INFORMATION TECHNOLOGY REALIGNMENT

CONSOLIDATION MANAGEMENT OFFICE:
PROGRAM DIRECTION AND
CENTERS OF LEADERSHIP

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EXECUTIVE SUMMARY

BACKGROUND

California Governor Arnold Schwarzenegger's August 24, 2004, Executive Order (S-13-04) directs the consolidation of the Stephen P. Teale and Health and Human Services Agency data centers and a realignment of management authority over information technology infrastructure. The goal of consolidation and realignment is to substantially improve the performance of the Executive Branch in managing its information technology infrastructure with particular focus on (1) receiving best value in the acquisition, management and operation of its information technology infrastructure and resources, (2) realizing the most appropriate levels of security, quality and risk management, and (3) ensuring that agency core competencies are reinforced and respected.

OBJECTIVE

Establish a formal Consolidation Management Office (CMO) to provide a coordinated, independent and objective approach to managing data center consolidation and future realignment of management authority over information technology infrastructure. The CMO will leverage both external (consultant services) and internal (state) resources to form an interdisciplinary program office with the capability and capacity to plan and carry out the consolidation and realignment initiative.

BENEFITS OF A CMO

A formally established CMO will provide the focused leadership for the consolidation and realignment initiative, and an independent, objective approach to its management. The CMO will provide the essential: *leadership and strategic planning; project management and organization; risk, issue and quality management; communications and change management; and, stakeholder relationship management.*

RESULTS THAT CAN BE EXPECTED

The CMO will make certain the performance goals of the Governor's Executive Order are achieved. It will do so by ensuring: a successful organizational consolidation of data centers, an integrated data center network infrastructure, an environment that supports future realignment of management authority over other IT infrastructure, and technical platforms and architecture for future consolidation and integration of technologies across the Executive Branch.

REQUIREMENTS

The CMO will require experienced project and program leaders, participation and support provided by data center personnel, and specialized consultant services. The office will be funded through a redirection of existing budget and expenditure authority. No budget augmentations will be requested. The two data centers will participate equally in the redirection of funds for consultant services, and as needed with respect to personnel resources to ensure successful consolidation. Approvals for the Career Executive Appointments are required. First year resource redirections are:

▪ 5 Career Executive Assignment Program Leaders	\$609,600
▪ 25+ Data Center Personnel	\$1,903,857
▪ Operating Expenses	\$195,865
▪ Consulting Services	\$3,750,000
Total 1 st Year Costs:	\$6,459,322

CONSOLIDATION MANAGEMENT OFFICE: PROGRAM DIRECTION

Today, California government is on the verge of major transformational change. This change will be led by Information Technology (IT) developments and will alter the way government interacts with its citizens and itself in ways unimaginable just a few years ago. The Little Hoover Commission, the Legislative Analyst, the California Performance Review and other groups have all emphasized the need for the state to begin this transformation.

It is important to recognize that government transformation will be accomplished by the business agencies of state government, who must continue normal business operations while IT consolidation and realignment activities are conducted. Therefore, the Consolidation Management Office (CMO) recommended in this paper, is the action team that will begin the realignment of the state's information technology infrastructure and governance, while the data center organizations concentrate on providing continuity in the delivery of technology services.

It is essential the new CMO be structured and staffed to be a successful implementation body. It must be commissioned by a mandate for results and staffed with talented, experienced leaders with the vision and tenacity to stay focused on the end goals and develop and doggedly pursue an action plan to successful completion.

The CMO is a **leadership team** that will strategize, plan, organize, direct, and especially **lead** the actions necessary to complete the IT transformation. It will begin with the consolidation of the State's two major data centers and extend to the realignment of technology infrastructure and governance statewide to a new strategic model.

The following pages outline why a CMO is needed, what it is, what it will do, the results that can be expected, and what is needed to get started.

BACKGROUND

On August 24, 2004, California Governor Arnold Schwarzenegger issued Executive Order (S-13-04) directing among other things, the consolidation of the Stephen P. Teale (TDC) and the Health and Human Services Agency Data Centers (HHSDC). This consolidation will create a consolidated data center and prepare the foundation for a new Department of Technology Services (DTS). The new department will merge the consolidated data center along with other statewide technology functions including telecommunications, research and development, and technology acquisition, into an integrated technology department designed and equipped to provide statewide integrated technology services. It will improve the Executive Branch strategic management of information technology statewide, placing IT in the center of governmental transformation.

The consolidation of the state's two major data centers is the first step. It is the first significant leadership challenge in the statewide IT transformation. When completed, it will establish the technical architecture that will be the foundation for future transformation steps. The consolidation will:

- Ensure the Executive Branch receives the best value in the acquisition, management and operation of its IT infrastructure and resources,
- Enhance the most appropriate levels of security, quality, and risk management,
- Ensure that agency core competencies are reinforced and respected.

The data center consolidation will be the first and highest priority for the CMO. The CMO will leverage both external (acquired through a procurement effort) and internal (state) resources to form an interdisciplinary program office with the capability and capacity to plan and carry out the consolidation and realignment.

WHY A CMO?

The consolidation of California's two largest data centers comprises a series of complex, high-risk projects with an array of human resource, technology, policy and political issues that require careful coordination and expert management.

Moreover, while the data center consolidation is being conducted, state agencies will require continuity of service for the legacy systems and services they depend on. Keeping both the current and new activities on track will require focused leadership and dedicated resources.

A formally established CMO will provide the focused leadership for the transformation activities. The CMO will provide an independent, objective approach to project management.

CRITICAL CMO ACTIVITIES AND RESULTS

The CMO will be organized as a strong program management office, with broad responsibilities for strategic planning, project management, problem resolution, and above all, leadership. This leadership is the most critical element of the CMO because the most difficult challenges to overcome will be human rather than technical.

Successful data center consolidation and future technology realignment will explicitly depend on getting the people who are currently involved in supporting today's disjointed and decentralized technologies to willingly contribute their unique knowledge and support to the consolidation. They will not do this unless they understand where the consolidation is headed, how it will affect them, how their individual concerns will be addressed and what the value of it will be to the state and to them. The CMO is therefore a change management leadership body. The following paragraphs outline in greater detail the major activities and corresponding results of the CMO.

Strategic Planning

The critical leading activity of the CMO will be to develop a strategic plan for data center consolidation and the future Department of Technology Services. From this strategic plan, operational business plans can be developed for the consolidated data center and other organizational elements of the DTS.

Scope and Objectives Management

The clarity of purpose and mandate for the CMO will be contained in the scope and objectives. The CMO will plan the implementation of the consolidation project based on a scope definition provided by and with the support of executive sponsors, and with direct traceability to Executive Order S-13-04 and the California IT Strategic Plan. A formal scope change control protocol will be utilized with a clear chain of decision authority back to the executive sponsor for expedited resolution of issues. Scope and Objective management are key to maintaining alignment between expectations and resources.

Planning and Organizing

The CMO will develop and maintain a comprehensive project schedule, and put in place an organization capable of executing the plan. It will be the source for information needed for status reporting and communications with stakeholders.

Leadership Activities

As stated above, the most critical activity of the CMO is to provide the change leadership. This leadership will keep the initiative focused. It will specifically address the human challenges associated with bringing two very different operational cultures together into a single organization and then merging them with other consolidated and newly established functions.

While there are technical challenges to overcome, the most difficult challenges will be people related. These will range from fear of the unknown to differences of opinion about what or how, to confusion, uncertainty or disagreement that might manifest into resistance to change. The CMO will need to focus on providing people-oriented leadership.

Control Activities

The CMO must effectively direct and control many interrelated activities to make sure they occur as planned, changes are managed, problems are analyzed and resolved, expenditures are controlled, and milestones and objectives attained. The primary tool for controlling project activities is the schedule, which should be maintained centrally and available for all team members and stakeholders.

Risk Management

Project risks must be continuously identified and mitigated. Unmitigated risks can materialize into schedule, cost or quality problems that affect the attainment of objectives. The CMO will prepare and continuously update a risk management plan that preemptively identifies project risks and defines mitigation measures that must be implemented to avoid negative affects on the consolidation.

Issue Management

Effective issue management is critical to the success of the data center consolidation effort. The CMO must be empowered to resolve issues, and a graceful escalation process employed to support issue resolution at the lowest possible level. The CMO will develop and manage a process that proactively identifies, communicates, tracks and resolves project issues.

Quality Management

Quality Assurance activities must be integrated with all aspects of the data center consolidation effort to objectively assess whether the project deliverables conform to expectations. Quality assurance planning is essential for mapping appropriate monitoring and verification checkpoints throughout a project.

Project Change Control

All projects undergo changes. The CMO will work closely with its customers and partners (i.e., Agencies, departments, counties, vendors, consultants) to manage the project change control process. This is especially important since failure to adequately control project changes and manage project scope will cause conflicts between resources and expectations.

Communication and Management Reporting

Effective communication is essential to the success of data center consolidation. It can be expected this initiative will be under close scrutiny from the public, the legislature, and control agencies. The CMO will develop a communications plan and reporting process that makes sure the right information is provided to the right people at the right times.

Deliverables and Document Management

The success of the consolidation project depends on the identification and management of specific project deliverables. Each is designed to add value to the overall project, and serve as a building block to future deliverables. To maintain a common understanding of the scope and content of each, the CMO will establish deliverable descriptions outlining the assumptions, contents, format and function of each.

The CMO will be the nucleus for project information and documents. Documents must be maintained to satisfy legislative mandates, sharing information across teams, project audits, contract management and other purposes.

Stakeholder Relationship Management

The CMO will ensure communication and interaction with key program stakeholders at all levels. This activity will facilitate buy-in on critical project decisions and overall program direction. The management of stakeholder relationships will include the following activities:

- Identify key stakeholders and their unique business interests.
- Align key stakeholders with the decision making process around IT investments and program decisions.
- Meet with key state executive-level stakeholders, facilitated with agendas and issue tracking.
- Coordinate periodic meetings with key local stakeholders to discuss issues of concern and disseminate project information, including successes and challenges.
- Manage communication with the public at large.

CRITICAL CMO SUCCESS FACTORS

Executive Leadership and Support

It is imperative executive leadership provides the required sponsorship for the consolidation project to be successful, including the delegation of authority, provisioning of resources, resolution of constraints and issues beyond the control of the CMO, and acceptance of the CMO's results.

Experienced CMO Leadership

The ability to maintain an executive-level focus is paramount, as is the ability to inspire motivation, communicate at all levels of an organization, project character and integrity, and demonstrate dedication to accomplishing the consolidation. This cannot be delegated to a consultant. The state must appoint CMO leaders who can perform in this critical area.

Clear Chain of Authority and Accountability

The chain of authority and accountability between the executive sponsor and the CMO and other organizational elements must be clear. The CMO cannot operate effectively if it is unclear how they should escalate issues, or who may provide them direction.

Appropriate Delegation of Authority to the CMO

The consolidation will involve merging functions from the two data centers with functions from other organizations and potential exists for differences to develop in decisions and direction. The authority of the CMO, its extent and limitations must be clearly communicated to all stakeholders.

Direct Access to Key Leadership

The successful completion of the consolidation project will often require timely coordination or communications with senior executive leadership at the agency level and below. The CMO must be empowered to directly engage with Agency staff, departmental directors, deputy directors, or other Executive Branch officials as necessary.

Implementation of Project Management Best Practices

The consolidation and realignment is a complex project with multiple interdependencies, stakeholders, outside pressures, and unknowns. It is imperative that the project be controlled so effort is expended wisely and project objectives are met. This requires the use of a formal project management methodology and the adoption of project management best practices.

Clarity of Scope and Objectives

One of the most frequent causes of complex project failure is scope creep. Project scope must be firmly managed using a clearly defined change control process that ensures scope changes and objective changes are properly integrated into project planning, including their affect on schedules and budget.

Sufficient Resources

Insufficient resources can drag project performance downward. If the project does not have enough administrative support, funding for consultants, office support equipment, or other needed resources, it cannot effectively carry out its duties. The CMO must be provided with sufficient resources.

STAFFING STRATEGY

The CMO will be established using a combination of personnel from the two data centers augmented with other resources as needed to provide leadership or unique consultant support. This balance of internal and external resources within the CMO serves multiple purposes.

Involvement and participation of state employees in the CMO is very important. State employees have an understanding of the internal workings of the various state organizations and agencies. They can help the CMO navigate through the organization and make the necessary contacts for the project.

In order to maintain leadership credibility, overall CMO leadership must be state employees. External consulting resources will provide specialized support services in the areas of planning, organizing, and executing Project Management. In addition, lessons learned and best practices from consultant experiences will prove invaluable throughout the project life cycle.

The recommended CMO organization structure and leadership for specific areas are outlined in the following *Centers of Leadership* chapter. As the project scope is finalized and the implementation plan developed, the final CMO structure and staffing can be determined and adjusted accordingly. It should be assumed that both internal state resources and external consultants would be dedicated full time to this effort for the 24 month duration of the project.

FUNDING AND COST RECOVERY STRATEGY

The CMO will be funded through the redirection of existing budget and expenditure authority. The two data centers will participate equally in the redirection of funds for consultant services, and as needed with respect to personnel resources to ensure successful consolidation. No budget augmentations will be requested for planning and implementation of data center consolidation and related integration activities. Funds expended will be recovered through the existing cost recovery mechanisms of both data centers. The table below summarizes the CMO needs:

Personnel Services (Annual)		
Description	Qty	Salary and Benefits
▪ CEAs	5	\$609,600
▪ Other	25.5	\$1,903,857
Total Personnel Services		\$2,513,457
Operating Expenses (Annual)		
Description	Amount	
▪ Facilities, Communications, Equipment, Travel, Training, etc.	\$195,865	
Total Annual Costs		\$2,709,322
External Contracts (One-Time)		
Description	Amount	
▪ Change Management Support	\$500,000	
▪ Project Administration Support	\$750,000	
▪ Technical Integrations Support	\$1,000,000	
▪ Governance / Performance Measures Support	\$500,000	
▪ Network Unification assessment (Teale Initiated)	\$1,000,000	
Total One-Time Costs		\$3,750,000
Total 1 st Year Costs (redirected from existing resources)		\$6,459,322

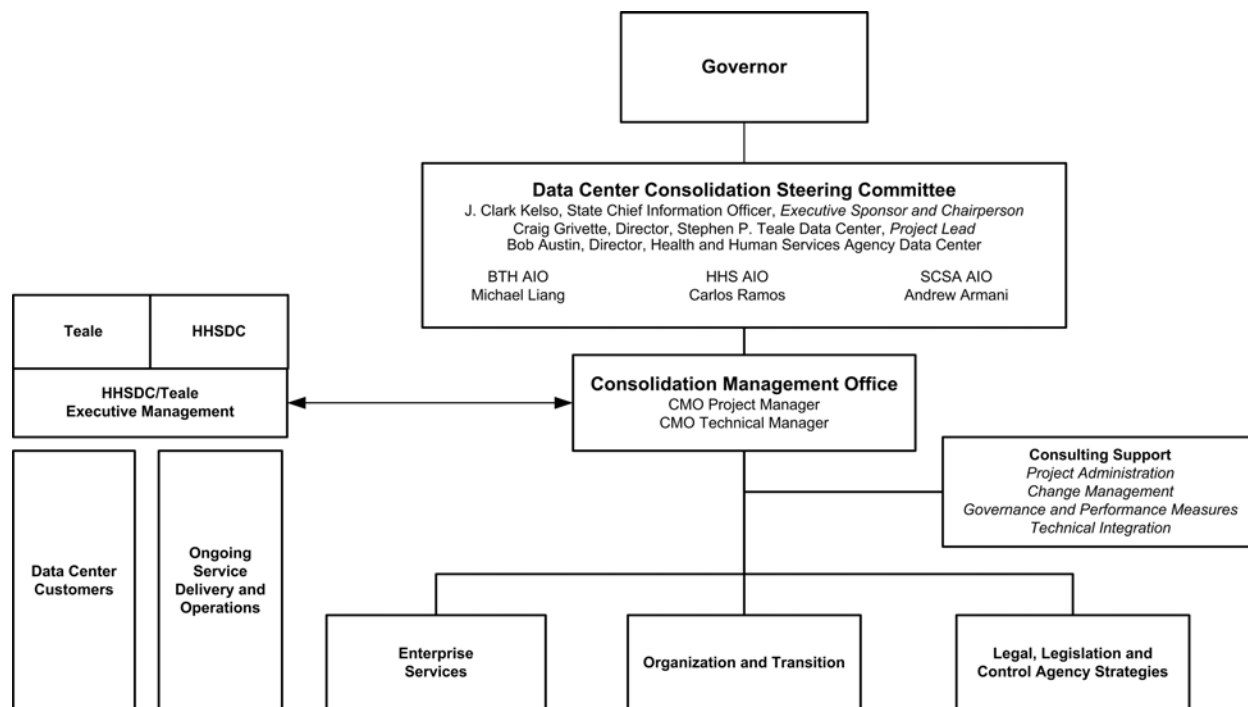
CONSOLIDATION MANAGEMENT OFFICE: CENTERS OF LEADERSHIP

CMO ORGANIZATION

A capable Consolidation Management Office will be centered on a highly skilled team committed to managing the initiatives complex issues and demands. Each team member will specialize in the most critical areas of policy, governance, organization, finance, technology; data center operations and customer service, and will recommend and implement policy affecting the new consolidated data center and the realignment of the state's diverse technology operations.

The CMO will be established for a period of 24 months, with each team member being a limited-term appointment. The CMO will be organized around the key leadership areas of:

- Consolidation Management
- Legal, Legislation and Control Agency Strategies Management
- Organization and Transition Management
- Enterprise Services Management



The data center consolidation will be the first and highest priority for the CMO. The CMO will leverage both external (consultant services) and internal (state) resources to form an interdisciplinary program office with the capability and capacity to plan and carry out the consolidation and realignment.

Consulting support resources will report to the Consolidation Management Office for overall guidance. These specialized resources will assist the CMO with specialized skills in the areas of:

- Project Administration Support
- Change Management
- Governance and Performance Measures
- Technical Integration

The plans and activities of the CMO will be consistent with recommendations of the California Performance Review report adopted by the Governor and in concert with the California Information Technology Strategic Plan and related activities of the State Chief Information Officer's Information Technology Council.

The following pages describe CMO *Centers of Leadership* with respect to data center consolidation and statewide information technology realignment, as well as their respective roles in setting and implementing departmental and statewide policies.

CONSOLIDATION MANAGEMENT PROGRAM

SCOPE OF PRIMARY RESPONSIBILITIES

- | | |
|-------------------------------------|--|
| ▪ Project Management | ▪ Project Deliverables and Document Management |
| ▪ Project Planning and Organization | ▪ Issue Management |
| ▪ Scope and Objectives Management | ▪ Risk Management |
| ▪ Project Change Control | ▪ Change Leadership / Change Management |
| ▪ Project Strategic Planning | |

The Consolidation Management Program will provide a coordinated, independent, and objective approach to the project management aspects of the data center consolidation initiative and primary leadership, oversight and coordination of all CMO programs. With the establishment of the CMO, the necessary scoping, planning, coordination, direction, governance and project management best practices required for managing a successful data center consolidation will be achieved.

The Program will develop a direction and strategic plan that meets the overall data center consolidation initiative objectives with considerations of the business concerns on service, quality, delivery, security and risk. The Program will include an effective, inclusive and flexible approach, taking into consideration the culture of the Stephen P. Teale Data Center and Health and Human Services Agency Data Center organizations.

The Consolidation Management Program will provide clear and consistent communication of project benefits and deliverables. The Program will provide accurate and timely information on program and project progress. The Program will set standards for program and project methodologies and reporting criteria to ensure consistency across the programs and manage all consultant contracts in support of the CMO's statewide activities.

In addition, the Program will develop strategies to identify and manage change throughout the initiative in order to minimize negative impacts on workforce, disruption to data center operations, other projects and client agencies line of business functions. A key element of change leadership / change management is effectively addressing the psychology of change. The Program will oversee the activities of external specialists providing education and application guidance to all levels of the consolidated organization with respect to the human side of change management.

LEGAL, LEGISLATION AND CONTROL AGENCY STRATEGIES MANAGEMENT PROGRAM

SCOPE OF PRIMARY RESPONSIBILITIES

- Legal Activities Management
- Control Agency Strategies Management
- Legislative Activities Management

The Legal, Legislation and Control Agency Strategies Management Program will address all legal, legislative and control agency strategies to ensure successful data center consolidation and statewide information technology realignment. The Program will also develop and drive the implementation of all legislation necessary for data center consolidation and realignment of management authority over the Executive Branch information technology infrastructure and programs.

The Program will identify a legal baseline to determine areas to be implemented under current law. The Program will take the approved consolidation and realignment plan and transform it into legislative language as necessary. The Program will participate in all stages of the legislative process, including preparation of a bill for introduction, draft amendments, participation in conferences with Assembly or Senate committees, and incorporate changes in the bill at each stage for publication and ultimate presentation to the consolidation and realignment governance authorities. The Program Manager will be the legislative representative for the CMO, will work with the Assembly and Senate and is responsible for explaining the meaning or effect of the legislative language.

The Program will focus on federal, special funding, and the more complex legal issues regarding redirection of funds, resources and contract management authority. The Program will review the language in all contracts for the new consolidated data center to assure protection and that the state receives the best value for all acquisitions.

The Program will identify and manage strategies for aligning the consolidation and realignment initiative objectives and control agencies policies and expectations. The Program Manager will serve as the control agency representative for the CMO.

ORGANIZATION AND TRANSITION MANAGEMENT PROGRAM

SCOPE OF PRIMARY RESPONSIBILITIES

- Human Resource Management
- Labor Relations Activities Management
- Transition Planning and Management
- Fiscal and Cost Management
- Procurement and Contracts Management
- Logistics and Facilities Management
- Stakeholder Relationship Management
- Service Levels Management
- Quality Management
- Communications and Outreach
- Business Practices Alignment
- Service Catalog Development
- Principles of Operations
- Organization Development

The Organization and Transition Management Program will be responsible for managing the complex staffing, labor, funding, procurement and contracting, facilities and stakeholder relationship management issues associated with data center consolidation and statewide information technology realignment. The Program will develop a staffing plan for the transfer and realignment of all impacted personnel. The Program will analyze and address local, state and federal funding and cost allocation issues related to, or affected by, the consolidation and realignment initiative.

The Program will establish program budgets, build program resource plans, and identify statewide cross-functional resource sharing opportunities, where feasible.

The Program will conduct a statewide audit of personnel performing technology-related activities who are not in technology or technology-allied classifications to ensure that all appropriate personnel, classifications, and activities are accounted for within the scope of the consolidation and realignment initiative. The Program will be governed by the expectation that fewer resources will be required to maintain centralized services and consolidated functions, thereby enabling an appropriate reallocation of staff and funding resources between statewide and agency specific technology needs.

The Organization and Transition Management Program will administer the initiative's contracting program and define change control processes and performance metrics for procurements and contracts to achieve best value in technology acquisitions. The Program will be governed, in part, by the expectation that the state will realize benefit from volume, aggregated procurements of technology goods and services through strategic sourcing.

The Organization and Transition Management Program will manage the facility needs for the consolidated data center to ensure co-location, aggregation and acquisition of new data center facilities will maintain the requisite availability, accessibility and scalability. With input from the appropriate data center program areas, the Program will facilitate the preparation of plans for appropriate co-location options and operational recovery mutual aid. The Program will be responsible for lease negotiations and space planning associated with the new HHSDC facilities. In parallel, the Program will conduct facility assessments and prepare plans to accommodate equipment and systems redistributed in response to the new facilities architecture and information technology realignment activities.

The Organization and Transition Management Program will develop plans to establish the consolidated data center as a customer focused, service-level driven organization. The Program will manage relationships with customers of each data center to assure the transition to this new organization occurs with minimal negative impact to their business services.

The Program will determine the best possible vehicle for providing ongoing communications and effective management of change on behalf of all stakeholders. The Program will develop an outreach program to inform and educate all stakeholders on the events of the consolidation. The outreach program will invite stakeholder input on data center consolidation and technology services that will better serve a shared-services model rather than the current decentralized-services approach.

The Organization and Transition Management Program will facilitate collaborative, cross-organization activities needed to ensure an alignment of business practices, services catalogs, and principles of operations between the consolidated data centers.

ENTERPRISE SERVICES MANAGEMENT PROGRAM

SCOPE OF PRIMARY RESPONSIBILITIES

- | | |
|--|--|
| ▪ Shared Services Strategies | ▪ Consolidation Infrastructure Initiatives |
| ▪ Business Process Analysis and Re-engineering | ▪ Consolidation Network Initiatives |
| ▪ Consolidation Applications Initiatives | ▪ Architecture |
| ▪ Security Management | ▪ Technology Integration Management |

The Enterprise Services Management Program will set a strategic direction for the use of shared technology services between the consolidated data centers and potentially all agencies of the Executive Branch. The Program's shared services focus will be on the development of solutions that are primarily delivered by the use of software and operated by the state or a service provider. The Program will address solutions that leverage economies of scale, eliminate redundancies and reduce support cost through standardization of services. The Program will play a leadership role in business processes analysis and re-engineering with respect to the use of shared, applications.

As a first step, the Program will oversee a joint data center implementation of PeopleSoft financial management and common electronic messaging systems. In addition, industry-recognized shared services such as document management and electronic form filing applications will be evaluated for consolidation into a shared-services model, centralized and administered at a data center facility. The Program will play a key role in evaluating other applications for which business cases exist for moving to a shared-services model, such as internet hosting, Enterprise Resource Planning, Customer Relationship Management and Geographic Information Systems.

The Enterprise Services Management Program will address the state's overall use of Internet technology to improve access to government services and information. The Program's "business and citizen-centric" focus will look beyond the way state business has been conducted and explore how Internet technology can improve the delivery of services while advancing government program objectives across all Executive Branch agencies.

The Program will emphasize cross-agency collaboration to streamline government transactions and improve responsiveness to California businesses and citizens. The multi-agency approach will reduce costs for the participating agencies and fulfill the Program's statewide mission.

The Program's security management role is one of the most crucial programs in the consolidation effort. Californians must be assured that their most sensitive and private information is secure. The Enterprise Services Management Program will establish a comprehensive security and risk management program for the data center consolidation initiative. The Program will establish methodologies to streamline the application of security fixes across multiple environments and prioritize those for which the need is critical. The Program will develop processes that are flexible in nature to respond quickly to threats and avoid security incidents.

The Program will be relentless in the establishment of security measures that are flexible in nature to respond quickly to threats and avoid security incidents. The Program will lead California's efforts in technology security with policies, procedures and guidelines for use across all agencies. The Program will develop methods to correlate security events statewide to provide proactive threat identification and elimination. It will establish security systems that will provide detection, prevention, containment and deterrence mechanisms to protect and maintain the integrity of the state's data assets.

The Enterprise Services Management Program will set a statewide strategic direction for the use of information technology infrastructure across the Executive Branch. The Program's infrastructure focus will be on common technology components that require the installation and maintenance of hardware as a key element to their operation (e.g. servers, desktop management, data storage). The Program's strategic directives will address solutions that leverage economies of scale, eliminate redundancies and reduce support cost through standardization of technologies used by multiple agencies.

The Enterprise Services Management Program will be responsible for the design, planning and implementation of a consolidated data center network. The data center's consolidated network is the first of many complex migrations to an integrated statewide communications network that supports the access of data and information across all agencies. The Program will lead the effort to collaborate with, and

coordinate responsibilities with the Department of General Services' Telecommunications Division, the functional areas of the consolidated data center, the California Department of Transportation, and other state agencies or involved entities as necessary to carry out this mandate.

The Program's scope will include, but not be limited to, the establishment of: a statewide baseline inventory of all major agency network architectures (including, but not limited to: CDC, EDD, DOT, DGS and DWR), a new consolidated network architecture, and all phased transition plans.

CONSULTING SUPPORT SERVICES

POTENTIAL CONSULTING SUPPORT SERVICES

- Project Management Administration
- Governance Structures and Processes
- Performance Measures and Indicators
- Benefits Realization
- Communications and Outreach
- Change Management
- Enterprise Architecture Planning
- Applications Consolidation and Integration
- Infrastructure Consolidation and Integration
- Network Consolidation and Integration

The CMO will be established using a combination of personnel from the two data centers augmented with other resources as needed to provide leadership or unique consultant support. This balance of internal and external resources within the CMO is very important.

Consulting support resources will report to the Consolidation Management Program for overall guidance. These resources will assist the CMO with specialized skills in key areas supporting data center consolidation and will support all CMO programs.

The precise scope and nature of consulting support services will be determined as needs analysis and project planning proceed.

CONSOLIDATION MANAGEMENT OFFICE: SUMMARY AND RECOMMENDATIONS

Governor Arnold Schwarzenegger signed Executive Order S-13-04, directing the acceleration of activities to consolidate the state's two major data centers and realign management authority over other IT infrastructure within the Executive Branch. These actions are designed to improve the Executive Branch management of IT statewide. They will create the foundation for a new Department of Technology Services and begin conversion of California's information technology infrastructure and governance to a more strategic, enterprise model that is more efficient and enables a citizen and customer centric transformation of state government.

The consolidation of the two data centers and strategic realignment of information technology is a complex project management and program integration initiative with significant leadership and technical challenges and implications. The complexity of this activity is amplified by the need to ensure continuity in daily business operations and attention to customer service and needs.

Strong leadership, expert planning, good communication and implementation will be essential to the success of consolidation and realignment activities. Therefore, the recommendations to establish a Consolidation Management Office to provide the change leadership, project management and communications, and maintaining data center business continuity are paramount.

An empowered Consolidation Management Office will make certain the performance goals of the Governor's Executive Order are achieved. It will do so by ensuring: a successful organizational consolidation of data centers, an integrated data center network infrastructure, an environment that supports future realignment of management authority over other IT infrastructure, and technical platforms and architecture to channel future consolidation and integration of technologies across the Executive Branch.

Glossary

Aggregation: A total considered with reference to its constituent parts. Example: Server aggregation involves optimizing the storage of similar applications and/or databases by migrating from many distributed servers to fewer, making for more efficient use of the existing server resources.

Centralization: To bring under a single, central authority. Centralization will not, under all circumstances, include physical consolidation.

Consolidation: The merger of two or more interests or components. Example: Network consolidation would encompass the physical merger of two or more separate networks into a single network. Consolidation can include both physical and logical environments.

Data Center Customer Base: The Stephen P. Teale Data Center (Teale) currently provides services to over 250 customers, including State agencies and local government entities. The Health and Human Services Agency Data Center (HHSDC) currently serves over 200 State and local customers, including core customers from State health and human services departments and 140 customers whose sole or primary service is CALSTARS, the State's program cost accounting system. Some State agencies are customers of both data centers. HHSDC has one division that is solely devoted to the operation and/or management of five major welfare related systems integration projects.

Enterprise: A view of all governmental levels as a single unit of economic or business organization. Example: An enterprise email service would serve all agencies within the Executive Branch.

Executive Branch: California's Executive Branch encompasses those entities under the leadership and direction of the Governor and his appointed Cabinet. The Executive Branch does not include constitutionally elected officers such as the Lieutenant Governor, Attorney General, Secretary of State, State Treasurer, State Controller, Insurance Commissioner, and the State Superintendent of Public Instruction.¹

Optimize: The process of modifying a system to improve its efficiency. The system can be a single computer program, a collection of computers or even an entire network such as the Internet.²

Realignment: To put into proper order or alignment. Example: To make new groupings of, or working arrangements between, organizations and individuals responsible for managing the state's information technology programs and resources.

Stakeholders: Include most state agencies, state employees, citizens, businesses and federal and local government agencies.

Statewide: Impacting, occurring or extending throughout the state. Example: A statewide recycling program all government office buildings.

¹ "California government and politics" <http://www.worldhistory.com/wiki/C/California-government-and-politics.htm> site visited last September 24, 2004

² The Free Dictionary <http://encyclopedia.thefreedictionary.com/Optimization%20%28computer%20science%29> site visited last September 24, 2004

APPENDIX A: CMO RESPONSIBILITIES MATRIX

Legend:

P = Primary Responsibility (Lead)

C = Strong Corollary Responsibility (Naturally paralleling a primary responsibility)

Note: The responsibilities identified below are not all inclusive of those associated with the consolidation and realignment initiative.

		Consolidation Management	Legal, Legislation and Control Agency Strategies	Organization and Transition	Enterprise Services
Primary Responsibilities	Benefits Realization	P			
	Business Practices Alignment			P	
	Business Process Analysis and Re-engineering	C			P
	Change Leadership / Change Management	P	C	C	C
	Communications and Outreach	C		P	
	Communications and Reporting Management	P		C	C
	Consolidation and Enterprise Application Initiatives	C		C	P
	Consolidation and Enterprise Infrastructure Initiatives	C			P
	Consolidation and Enterprise Network Initiatives	C			P
	Control Agencies Strategies Management		P		
	Enterprise Architecture	C		C	P
	Fiscal and Cost Management	C		P	
	Governance Structures and Processes	P		C	
	Human Resource Management	C		P	
	Issue Management	P	C	C	C
	Labor Relations Activities Management	C		P	
	Legal Activities Management	C	P		
	Legislation Activities Management	C	P		
	Logistics and Facilities Management	C		P	
	Organization Development	C	C	P	C
	Performance Measures and Indicators	P			
	Performance Reporting Management	P			
	Principles of Operation			P	
	Procurement and Contracts Management	C	C	P	
	Project Change Control	P	C	C	C
	Project Deliverables and Document Management	P	C	C	C
	Project Management	P			
	Project Planning and Organization	P	C	C	C
	Project Strategic Planning	P		C	
	Quality Management	C	C	P	C
	Risk Management	P	C	C	C
	Scope and Objectives Management	P	C	C	C
	Security Management	C			P
	Service Catalog Development			P	
	Service Levels Management			P	
	Shared Services Strategies				P
	Stakeholder Relationships Management	C	C	P	C
	Technology Integration Management	C			P
	Transition Planning and Management	C		P	

